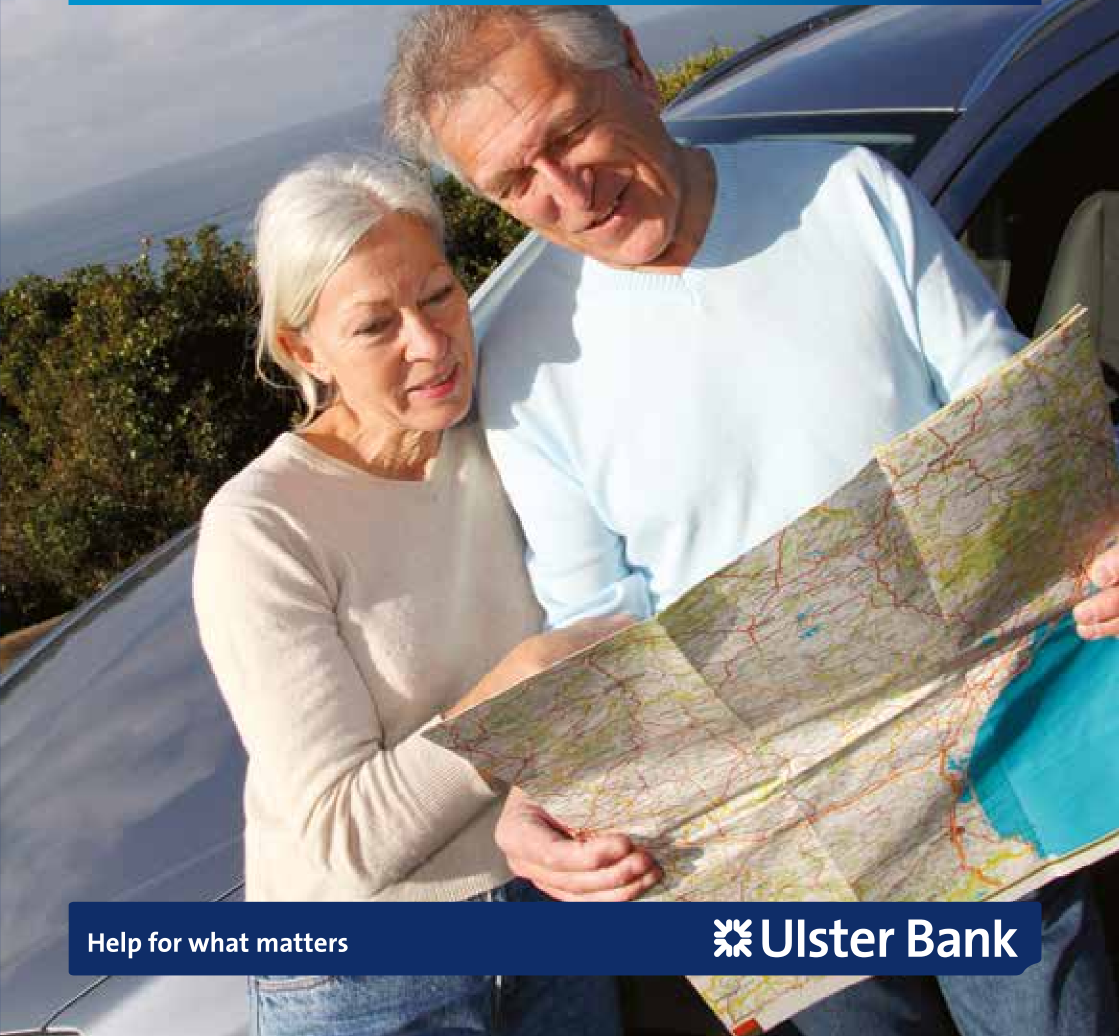
Navigator Approved Retirement Fund and Approved Minimum Retirement Fund

These products are provided by Irish Life Assurance plc.



Help for what matters

Ulster Bank

Navigator Approved Retirement Fund (ARF) and Approved Minimum Retirement Fund (AMRF)

Aim	To allow you to control your retirement fund
Risk	Low to very high depending on the option or mix of options you have chosen.
Capital Protected	No. It is possible that your fund could run out before you die. See withdrawals section for more details.
Funds available	Wide range of funds to choose from. Please see the Fund Guide section in this booklet for details.
Time period	You can invest for as long as you like - we recommend five years or more.
Jargon free	Yes.

Ulster Bank have selected Ireland's leading life and pensions provider, Irish Life Assurance plc (Irish Life), to provide our customers with Life Assurance products including pensions, protection, investments and regular savings.

Important note

As the provider of this product, this booklet has been written by Irish Life to explain how the product works. So, any reference to 'we' or 'us' refers to Irish Life. Your Ulster Bank Financial Planning Manager can answer any questions you might have.
All information including the terms and conditions of your plan will be provided in the English Language. Irish Life will continue to communicate to you in English at all times.

Please note: If you invest in this AMRF you will not have access to your initial investment amount until age 75. You can only make one withdrawal each year of up to 4% of the value of the AMRF.

The information and figures quoted in this booklet are correct as of October 2015 but may change.

Where we say Navigator ARF/AMRF in this booklet, we are referring to either an ARF or AMRF depending on the plan you have.

Contents

1. Introduction

This booklet will give you details of the benefits available on the Navigator Approved Retirement Fund and Approved Minimum Retirement Fund plans. It is designed as a guide that allows us to explain the product to you in short and simple terms. There will be more specific details and rules in your Terms and Conditions booklet which you should read carefully.

Retirement is your time. It is the start of a new and exciting part of your life and you have the chance to enjoy the freedom it presents. You can control what you want to do and when you want to do it.

Until now, your investment goal was probably to save the biggest possible nest egg for your retirement by using a pension plan. When you retire, you will need to make sure that you use this retirement fund wisely. You want to give yourself financial security, so that you can get on with enjoying a very fulfilling retirement.

The most important decision you will have to make is what to do with your retirement fund.

When you retire, you can usually take a part of your pension fund as a retirement lump sum. You may be able to take some or all of this retirement lump sum tax-free. Then, if you meet certain conditions, you may be able to choose what you want to do with the rest of your fund.

You can:

- use it to buy a guaranteed pension for life (also known as an annuity, a regular income for the rest of your life);
- re-invest it in an approved minimum retirement fund (AMRF) or approved retirement fund (ARF); or
- take the rest of the fund as taxable cash.

This booklet will give you more information on AMRFs and ARFs and will show you how they are different to buying a pension for life.

You should talk to your Ulster Bank Financial Planning Manager about the options available to you.

You should consider all options carefully as there are advantages and disadvantages to these options, depending on your investment approach and where your priorities lie in terms of goals and investment risk during your retirement.

You can find a full list of the funds available on your Navigator ARF and AMRF plan in the Fund Guide section which you should read before you decide to invest.

Our service to you

Putting you first

We are committed to providing excellent customer service to you at all times from the moment you apply right throughout the life of your plan. When you ring us, you will get straight through to our customer service team, who will be on hand to listen to your queries and help you when you are looking for answers. Below is just a sample of the services.

You can change your mind

We want to make sure that you are happy with your decision to take out this plan. If after taking out this plan you feel it is not suitable, you can cancel it within 30 days from the day we send you your welcome pack. We will return any contributions you have made in line with Revenue rules, less any reduction in investment values during the period.

Keeping it simple – clear communication

Because financial products can be complicated and difficult to understand, we are committed to using clear and straightforward language on all our communications to you. As a result, we work with Plain English Campaign to make sure all our customer communications meet the highest standards of clarity, openness and honesty.

Keeping you up to date

We are committed to keeping you informed about your plan. Because of this, every year we will send you a statement to keep you up to date with your plan details.

Online services

We have a range of online services available for you. You can check the details of your plan online by visiting our website www.irishlife.ie and logging into My Online Services. You will need a Personal Identification Number (PIN), which you would have received when you started your plan. If you have lost your PIN or need a new one, contact our customer service team on 01 704 10 10.

Our online services help you keep up to date, at any time, with how your plan is performing. You can:

- View the current value of your plan;
- Change your choice of fund;
- View your annual benefit statement; and;
- Use our information service – weekly investment market updates, fund information and fund prices.

You can also phone our automated Customer Information Line on 01 704 1111, to obtain a current value, access our weekly market update and to change your PIN.

How to contact us

If you want to talk to us, just phone our customer service team on 01 704 10 10. They can answer questions about your plan.

Our lines are open:

8am to 8pm Monday to Thursday
10am to 6pm Friday
9am to 1pm Saturday.

In the interest of customer service, we will record and monitor calls.

You can also contact us in the following ways:

Email: customerservice@irishlife.ie
Fax: 01 704 19 00
Write to: Customer service team,
Irish Life Assurance plc,
Irish Life Centre,
Lower Abbey Street,
Dublin 1.
Website: www.irishlife.ie

Any problems?

If you experience any problems, please call your Ulster Bank Financial Planning Manager or contact our customer service team. We monitor our complaint process to make sure it is of the highest standard. We hope you never have to complain. However, if for any reason you do, we want to hear from you.

If, having contacted our customer service team, you feel we have not dealt fairly with your query, you can contact:

The Financial Services Ombudsman
3rd Floor Lincoln House
Lincoln Place
Dublin 2.

Lo-call: 1890 88 20 90
Email: enquiries@financialombudsman.ie
Fax: 01 662 08 90
Website: www.financialombudsman.ie

2. ARFs and AMRFs

What is an ARF?

An ARF is a special investment fund which can give you flexibility in terms of how you use your retirement fund. With an ARF you manage and control your retirement fund and can invest it in a wide range of different investment funds. You can also make withdrawals as you need them. And because you own your fund, you can leave it to your dependants when you die.

Before you invest in an ARF, you must meet one of the conditions below (unless you have inherited an ARF or AMRF from your spouse or registered civil partner).

- You must set aside €63,500 in an AMRF until you reach 75.
- Or, you must buy a guaranteed pension for life (annuity) with this money (€63,500).
- Or, you must have a guaranteed pension income for life of €12,700 a year.

These funds may change in the future.

The Finance Act 2006 requires that you withdraw a minimum amount from your ARF every year. This minimum amount is currently 4% from the year you turn 61 (or 60 if your birthday is 1st January) and 5% from the year you turn 71 (or 70 if your birthday is 1st January) where the total value of your ARFs and Vested PRSAs is less than €2,000,000 (6% otherwise). If the withdrawals you have made during the year are less than this, we will pay you the balance at the end of the year. This withdrawal will reduce the value of your fund. Depending on investment returns it is possible that these withdrawals could result in your fund reducing to zero before you die, the plan would then end.

What is an AMRF?

You must take out an AMRF if you have chosen the ARF route but do not have a guaranteed pension income for life of at least €12,700 a year already in place or have not used €63,500 to buy a pension for life. See the ARF section on page 6.

The main difference between an AMRF and an ARF is that, until you are 75 years old or you become in receipt of the required guaranteed pension income from other sources. You are not required to make a minimum withdrawal from an AMRF each year.

Example of how an AMRF and ARF work together

Your retirement fund	€500,000
Retirement lump sum (for example, 25%)	€125,000
Rest of investment	€375,000
Invest in an AMRF (if you do not have a guaranteed pension income for life of €12,700 a year)	€63,500
Invest the rest in an ARF	€311,500

Warning: The income you get from this investment may go down as well as up.

Warning: If you invest in this product you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

You can buy a guaranteed pension for life (annuity) with the fund at any stage during the term of your ARF or AMRF plan.

There are more details on ARFs and AMRFs in the Withdrawals and Your questions answered sections.

Suitability snapshot

Below we have set out some important points for you to consider to help you decide if this ARF is suitable for you. If you are in any doubt, you should contact your Ulster Bank Financial Planning Manager.

This Navigator ARF plan might suit if you	This Navigator ARF plan might not suit if you
✔ are happy with the charges on this plan and accept that the value of your fund could fall as well as rise;	✗ are not happy with the charges on this plan and do not accept that the value of your fund could fall as well as rise;
✔ are happy with the choice of funds available on this plan;	✗ are not happy with the choice of funds available on this plan;
✔ have a guaranteed pension income for life of €12,700 or have €63,500 to set aside for an AMRF or annuity;	✗ don't have a guaranteed pension income for life of €12,700 or have €63,500 to set aside for an AMRF or annuity;
✔ would like to take a regular withdrawal up to certain limits	✗ want a regular income guaranteed to last you for life;
✔ want to pass on the money in your ARF/AMRF to your family when you die.	✗ want to take out an annuity when you retire.

3. Fund Guide

Through Navigator ARF/AMRF we offer a choice of quality funds to meet your needs.

Our funds are managed by some of the leading Irish and international fund managers including:

- Irish Life Investment Managers (ILIM)
- Fidelity Worldwide Investment
- Henderson Global Investors.

Irish Life Investment Managers (ILIM), are Ireland's biggest fund manager. They currently manage over €40 billion of assets for private investors and leading Irish and international companies. Their ability to consistently deliver excellent performance has seen them at the top of investment tables and win many awards.

The wide range of funds gives you access to different options including low-risk funds, share funds, property funds and portfolio funds, which include a mixture of different types of investments.

The fund that is right for you depends on:

- the amount or risk you are willing to take;

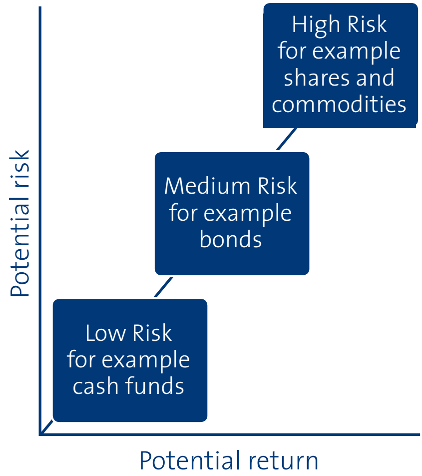
  and

- the amount of control you want on where your pension invests.

1. The amount of risk you are willing to take

Depending on which fund or asset you invest in, its value can fall as well as rise over the investment period. By choosing lower-risk investments, you are aiming to protect your initial investment from large falls. However, the potential for large gains is lower than if you choose a higher-risk investment.

Potential risk and return



Higher-risk investments such as company shares do not aim to protect your initial investment from large falls, but you do have the potential to gain much more, especially over the long term. If you invest in these types of investments, or share based funds, you should realise that, in wanting a higher return, you need to accept that the value of these funds can move up and down, sometimes by large amounts.

Volatility scale and risk levels

To help you choose between funds we rate the possible level of 'volatility' of each fund on a scale of 1 to 7 (Volatility refers to the potential ups and downs that a fund may experience over time). A fund with a risk level of 1 is very low risk and a risk level of 7 is very high risk. You should remember that risk and potential return are closely linked. In other words, investments which are higher risk tend to have higher returns over the long term, but can also experience higher falls.

Our volatility scale assumes that all investments are held on a long term basis. If an investment is held for a short term, it will usually have a greater level of risk than the volatility scale shows.

You can usually reduce the level of risk attached to an investment by diversifying (splitting the investment 'eggs' between different 'baskets') and leaving the investment where it is for a longer period of time. (In other words, the longer you hold volatile investments for, the less volatile the returns become.) Our volatility scale can change. Therefore the volatility ratings in this booklet may not be the most up-to-date ratings. Please visit our website www.irishlife.ie to see the most up-to-date volatility scale. Think about how you feel about the risks associated with investing. Everyone's situation is different, and everyone handles risk differently. Together with your Ulster Bank Financial Planning Manager you can decide which level of risk you are open to.

2. Choice of investments

We have brought together a number of different types of funds which invest in property, shares, commodities (such as oil and gas) or fixed-interest bonds. You can choose to invest in funds run by some of the most successful fund managers in the world such as Irish Life Investment Managers and Fidelity Worldwide Investment. Or you can choose to invest in our 'indexed' managed funds which aim to track the performance of particular stock markets. These funds are likely to suit most people investing in an ARF or AMRF.

Think about how much investment experience you have and to what extent you want to be involved in the detailed investment decisions of your fund. Are you comfortable choosing the individual assets your fund invests in or are you happy to leave this to a fund manager?

Comparing the options

Once your Ulster Bank Financial Planning Manager has helped you decide where you stand on all these questions, they can help you build your personalised investment plan using any combination of the funds outlined.

If your ARF grows at a lower rate than the level of withdrawals you are taking, your original investment will be reduced.

Here are the full range of investment funds available. We divided these into high risk funds with the potential for higher returns, medium risk funds with the possibility of medium return and low risk funds with lower potential for returns.

Warning: If you invest in this product you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Warning: This product may be affected by changes in currency exchange rates.

Low-risk funds

Volatility 1

Global Cash Fund

Volatility 2

Capital Protection Fund

Medium-risk Funds

Volatility 3

Diversified Cautious Fund
Pension Protection Fund
Consensus Cautious Fund

Volatility 4

Active Managed Fund
Diversified Balanced Fund

High-risk Funds

Volatility 5

Consensus Fund
Consensus Equity Fund
Diversified Growth Fund

Volatility 6

Fidelity European Opportunities Fund
Fidelity Global Special Situations Fund
Global Opportunities Fund
Indexed Commodities Fund
Indexed European Equity Fund
Indexed UK Equity Fund
Pension Property Fund
Property Portfolio Fund

Volatility 7

Fidelity Global Property Shares Fund
Indexed Irish Equity Fund

You can choose any combination of up to 10 funds. The section below gives a description of each of the funds available to you.

Low-risk Funds

Volatility 1

Global Cash Fund

This fund invests in bank deposits and short-term investments on international money markets. It is intended to be a low risk investment, but you should be aware that this fund could fall in value. This could happen if, for example, a bank the fund has a deposit with cannot repay that deposit, or if the fund charge is greater than the growth rate of the assets in the fund.

Volatility 2

Capital Protection Fund

This fund invests partly in shares. Most of the fund is invested in cash deposits and fixed interest assets, mainly in Ireland. To protect other investors in the fund, we can reduce the value of your fund if you retire early or leave the Capital Protection Fund before you retire.

Medium-risk Funds

Volatility 3

Diversified Cautious Fund

The Diversified Cautious Fund reduces risk by investing in a large range of assets including shares, property, bonds, cash, commodities and other alternative assets. The Diversified Cautious Fund aims to achieve moderate returns with the possibility of limited ups and downs along the way. This is due to being less exposed to higher risk asset classes such as shares and commodities. This fund allows you to invest in both index linked and actively managed types of assets.

The Diversified Cautious Fund is suitable for you if you want to keep a small amount invested in equity markets while reducing the possibility for ups and downs. Parts of this fund may also borrow money to invest in property. Please see page 19.

Volatility 3

Pension Protection Fund

Currently this fund invests largely in long-term Eurozone government bonds and cash. The balance of the fund may have direct or indirect exposure to global interest rate markets. The aim of this fund is to pay for an annuity when you retire.

This fund should broadly follow the long-term changes in annuity prices due to interest rates, i.e. if long-term interest rates fall, the value of this fund will increase to roughly compensate for the rise in annuity prices.

Long-term interest rates are just one of the main factors that determine the cost of an annuity and there will be times when the fund will not track annuity prices closely and no guarantee can be given in relation to such movements.

Volatility 3

Consensus Cautious Fund

The Consensus Cautious Fund is a managed fund, where 65% of the assets are currently invested in the Consensus Fund and 35% track the performance of shorter term eurozone government bonds. For more details on the Consensus Fund please see page 14. The Consensus Cautious Fund aims to give mid range levels of return with lower levels of ups and downs.

Volatility 4

Active Managed Fund

Like most actively managed funds, this fund invests mainly in shares, with some investment in bonds, property, cash and other assets. Irish Life Investment Managers (ILIM) aims to deliver above average performance by actively choosing assets and stocks which will perform better than other managed funds in the market. The fund will suit you if you have a large number of years until you retire and you hope to receive above-average returns on a consistent basis.

Volatility 4

Diversified Balanced Fund

The Diversified Balanced Fund currently links 40% to indexed regional shares, 20% to indexed bonds and 40% to alternative assets classes. The fund is designed to produce a mid-range level of expected returns with reduced levels of ups and downs. This fund is suitable for investors who are willing to accept some risk from share markets while still limiting volatility. Parts of this fund may also borrow money to invest in property. Please see page 19.

High-risk Funds

Volatility 5

Consensus Fund

This fund is Ireland's most popular fund, currently managing over €5.7 billion. Its success is based on an approach which combines the wisdom of the main investment managers in Ireland. The fund matches the investments they make in shares, property, bonds and cash. The Consensus Fund aims to provide performance that is consistently in line with the average of all pension managed funds in the market.

Volatility 5

Diversified Growth Fund

The Diversified Growth Fund currently invests 60% in shares with the remaining 40% spread across a range of asset classes including property, commodities and hedge funds. This combination is designed to create a high level of expected return with fewer ups and downs than a pure equity based fund. This fund is suitable for investors with a high number of years to retirement who wish to pursue an aggressive growth strategy. Parts of this fund may also borrow money to invest in property. Please see page 19.

Volatility 5

Consensus Equity Fund

This fund aims to give good growth by investing in the Irish and international shares that the Consensus Fund invests in. By taking the average investment that all the managers make, the Consensus Equity Fund avoids the risks associated with relying on the decisions of just one fund manager. Managing assets in line with the index aims to remove the risk associated with some managers making poor decisions.

Volatility 6

Fidelity European Opportunities Fund

Fidelity manages this fund, which aims to provide long term investment growth from a range of European shares. The fund will invest across continental Europe and is made up of a blend of investments in large, medium and small companies in sectors such as medical technology and alternative energy.

Volatility 6

Fidelity Global Special Situations Fund

Fidelity manages this fund which can invest anywhere in the world in any mix of companies. The fund manager looks for stocks that meet conditions such as companies going through a restructuring phase or where specific industries are going through major change. This fund is likely to have higher levels of ups and downs than some other funds which invest in worldwide shares.

Volatility 6

Global Opportunities Fund

ILIM aims to find companies whose value is not yet recognised by the markets. The fund will invest in a wide range of shares across all geographic and industry sectors. ILIM identifies opportunities based on strong research and in-depth company analysis by its team of industry specialists.

Volatility 6

Indexed Commodities Fund

The Indexed Commodities Fund aims to track the performance of the overall commodities markets (oil, gas and so on). It currently tracks the Goldman Sachs Light Energy Index. In the past, commodities have given similar levels of returns to shares over the long-term. However, they tend to behave differently to all other assets. For example, previously, commodities have often given good returns at times when stock markets or property markets have not. For this reason commodities are often good to invest in if you have already invested in shares and bonds. This may help reduce the overall risk over the long term.

Volatility 6

Indexed European Equity Fund

This fund concentrates on European equities. The fund's aim is to match the average return of all the shares that make up the FTSE Europe Ex UK Index.

Volatility 6

Indexed UK Equity Fund

This fund concentrates on UK equities. The fund's aim is to match the average return of all the shares that make up the FTSE UK Index.

Volatility 6

Property Portfolio Fund

This fund invests in a wide range of commercial property investment markets which currently includes Ireland, the UK and Europe. ILIM currently invests around one third in Irish Property; one third in UK Property and the rest in European property. Parts of this fund will also borrow money to invest in property. Please see page 19.

Volatility 6

Pension Property Fund

This fund invests in a wide range of Irish retail, office and industrial property that could provide a good income from rent, and aims to increase your initial investment through capital appreciation of the property. Please read 'Important information' for more information on property in general.

Volatility 7

Fidelity Global Property Shares Fund

Fidelity manages this fund which invests in Real Estate Investment Trusts (REITs) and listed property securities from around the world. This means it stands to benefit from the strong growth in property investments globally and the growing REITs market. The Fidelity Global Property Shares Fund will appeal to you if you want to benefit from the long-term growth potential that listed property companies could give.

Volatility 7

Indexed Irish Equity Fund

This fund concentrates on Irish equities. The funds aim is to match the average return of all the shares that make up the ISEQ Index.

Warning: The value of your investment may go down as well as up.

Warning: If you invest in this product you may lose some or all of the money you invest.

Warning: This product may be affected by changes in currency exchange rates.

Important information about available funds

This section gives you information about tax, currency, charges and important information relating to investing in our funds.

Delay periods

In certain circumstances we may need to delay switches, withdrawals or transfers out of a fund. The circumstances in which we may delay a switch, withdrawal or transfer can include the following.

- If a large number of customers want to take money out of the same fund at the same time.
- If there are practical problems selling the assets in which the fund invested.
- If the fund is managed by an external company, they may insist on a delay. Delayed transactions will be based on the value of the units at the end of the delay period. We will delay switches, withdrawals and transfers until the assets in the fund have been turned into cash. Depending on the nature of the assets, any delay may be considerable.

You should read the fund description to see if a delay period applies to the fund you have chosen.

Reducing the value of the fund

When there are more customers moving out of a fund than making new investments in it, we may reduce the value of the units in the fund. This is to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction in the value of the affected assets will be different for each fund. It is likely to be significant for the percentage of any fund invested in property (see page 20 onwards).

Currency

Funds that invest outside of the Eurozone carry a risk related to currency. This is because the funds are priced in euro but the assets that are invested outside the Eurozone are valued in their local currency. This can increase or reduce your returns depending upon how those local currencies are performing compared to the euro.

Some funds which invest in assets outside of the Eurozone may try to mange the risk related to movements in exchange rates. The cost of trying to protect against currency movements will be charged to the fund on an ongoing basis. Changes in exchange rates during the investment term in funds which are not currency protected may have a negative effect on the value of these funds and the expected investment returns.

Warning: This Navigator ARF/AMRF plan may be affected by changes in currency exchange rates.

External managers

Irish Life offer a number of funds where some or all of the assets within the fund are managed by companies (external managers) other than Irish Life Investment Managers (ILIM), for example, funds managed by Fidelity or Henderson. There will be charges taken from these funds by both us and these external fund managers. For those funds that are managed by external fund managers, it is important to note the value of any investment placed with these managers may be affected if any of the institutions with whom we place money suffers insolvency or other financial difficulty.

Our commitment is to pass on the full value of the assets we receive from the external manager for your plan. Our commitment is restricted to the returns we actually receive from the external manager. If you invest in funds managed by an external fund manager, it is likely that the way your investment performs in those funds using our products will be slightly different from the performance of the external manager funds themselves. This could be due to factors such as the time needed to move your investment into their funds and any changes in the values of currencies. (Please see the Currency section on page 17).

Where funds are managed by external fund managers, the investments may be legally held in countries other than Ireland. You should be aware that where a fund is domiciled will impact on how it is regulated.

Variable fund charges

In general, we can only increase the rate of our fund charge on any fund if our Board of Directors passes a resolution. We will only increase the charges when there is an increase in the costs of dealing with the investment and will give you notice of the increase.

However, the charges on some of our funds are variable which means they can be higher or lower than the charges shown in this booklet. This is most likely to be the case where there are external fund managers other than Irish Life Investment Managers (ILIM), for example, funds managed by Fidelity.

Some of the external managers may also be paid an incentive fee if they achieve positive returns on their funds. The charges on a fund may also vary if that fund can invest in a range of other funds. The proportion invested in each fund may vary over time.

Since fund charges vary between funds, the overall fund charge will vary depending on the weighting of individual investments in each fund. Also, if the charges on individual funds change, the overall fund charge will vary as a result.

Where the charges on a fund can vary we have shown, in the table across the page, the estimated level of the variable charge. The charges shown reflect our best estimate of the charges we expect the fund will have to pay over the long-term. However, the actual charges can vary from the amounts shown.

The factors that may cause the level of variable charges to be higher or lower than that shown are outlined in your Terms & Conditions booklet.

	Estimated average level of variable charge
Diversified Balanced Fund	0.40%
Diversified Cautious Fund	0.40%
Diversified Growth Fund	0.40%
Fidelity European Opportunities Fund	0.95%
Fidelity Global Property Shares Fund	1.15%
Indexed Commodities Fund	0.50%
Property Portfolio Fund	1.10%
Fidelity Global Special Situations Fund	0.95%

The actual level of the variable charges may be higher or lower than this depending on the factors outlined in your Customer Information Notice or your Terms and Conditions. In your Customer Information Notice, for the purposes of the table of benefits and charges, we have used an estimated average level of variable charges for each of the funds above. However, these are for example only and are not contractually fixed charges

Tax

Under current Irish tax rules, the growth of all pension funds, is not taxed until you make withdrawals. However, if your chosen fund invests in assets outside Ireland, the fund may have to pay tax on these investments.

We will take tax on income or profits if this is necessary under the tax rules of the country the assets are held in. In some instances, withholding tax or other taxes may apply, depending on the tax rules of the country. We will take any tax due from the fund, and this is reflected in the returns of the fund.

You may have to pay income tax at the highest rate on withdrawal, Universal Social Charge (USC), PRSI (if applicable) and any other taxes or government levies applicable at the time benefits are taken from your pension. Your dependents may have to pay inheritance tax on any benefits paid from your plan to them.

European Property

For any investments in European Property, tax will be deducted on rental profit if this is necessary under the tax rules of the relevant country. In some instances, depending on the tax rules of the country, capital gains tax may also be due on capital gains made within the fund.

Some of the European part of the Property Portfolio Fund may be invested in countries that are outside the eurozone area. The European fund managers may try to protect the fund against changes in exchange rates. However there may be times when they decide not to. If tax legislation and practice changes during the term of your plan, we will amend this in the fund value as a result. This information is based on current tax law.

Using borrowings

In the description of funds, we have shown the funds which are likely to include borrowing as part of their investment strategy. The amount borrowed will vary and you should contact us to find out the current amount borrowed within the fund you are interested in. This will help you assess the level of risk, which increases as borrowing increases.

Funds which invest in the European property markets are invested in indirect property investments through other fund managers. This means that rather than buying properties directly, we invest your money with other fund managers. For example, we may invest in a fund which itself invests directly in property. These managers use money invested in these funds to borrow extra money.

As a result, the amount of property in these funds can increase which, in turn, increases the possibility for growth. This is one of the main attractions of these indirect property funds. You will have the chance to get higher returns if the value of the property paid for by the loans is higher than the cost of repaying the loans.

However, borrowing in this way also increases the possible risks for the fund. It can mean greater losses if the property falls in value.

The value of indirect property investments will reflect the total value of the properties in the fund but with the value of the loans and the interest due taken off. The example below shows how a property fund works if it usually invests in a mix of direct and indirect properties.

Amount of investment	€100,000
Amount directly invested in property:	€75,000
Amount indirectly invested in property:	€25,000
Amount borrowed by indirect funds:	€75,000
Amount invested in indirect property with borrowings:	€100,000
Total amount invested in property including borrowings:	€175,000

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

In this example:

- 25% of the investment is invested indirectly in property
- for every €1 invested indirectly in property, €3 is borrowed. Please note that the level of borrowing will vary from fund to fund.

When referring to funds with borrowing, the term 'loan-to-value ratio' is often used. This is the loan amount divided by the value of the property and in the above example is 75%. The loan to value ratio changes based on the value of the indirect properties at any given time so this percentage will vary regularly.

What happens if property falls in value?

That part of the fund linked to indirect property investments will fall in value by a greater amount because of the level of borrowing. The following are examples

- If the value of the indirect properties fall by 10% and the indirect fund borrowed €3 for every €1 invested, the actual fall in value of the indirect part of the investment would be 40%.
- If the value of the indirect properties fall by 10% and the indirect fund borrowed €2 for every €1 invested, the actual fall in value of the indirect part of the investment would be 30%.

- If the value of the indirect properties fall by 10% and the indirect fund borrowed €1 for every €1 invested, the actual fall in value of the indirect part of the investment would be 20%.

For any particular fund the amount invested indirectly in property by the external fund manager may be higher or lower than shown above. The level of borrowing within that part of the fund invested indirectly in property will also change over time. The higher the amount of the loan compared to the amount invested in property, the greater the potential returns. However, the level of risk will be higher. If funds are invested outside the Eurozone, there will also be a risk due to any rise and fall in foreign currency exchange rates.

The property cycle-selling costs and delays

The property market reacts more slowly than stock markets and tends to follow more of a cycle. It can rise or fall for longer periods in a more consistent way than the stock market does. This is partly because it takes more time and costs more to buy and sell properties than it does to buy or sell other assets like shares. As a result, if there are more investors who want to cash in their investments than there are new investors, we may need to make the following changes so that all investors pay their fair share of the costs that the funds have to pay.

Notice periods (delays)

If you have chosen to invest in a property fund, we may delay switches, withdrawals or transfers out of that fund from the time we receive your request. This is referred to as the 'notice period'.

Due to the high cost and time involved in selling properties, a delay of this sort is likely to happen at some point during your investment. The length of any delay will depend on how long it takes us to sell the assets in the fund. A delay of at least six months would be likely to apply in this situation.

Delayed transactions will be based on the value of the units at the end of the notice period. Once you have given us notice that you want to switch, withdraw or transfer out of a fund, you cannot change your mind during any notice period. You should read the fund description to see whether a notice period applies to the fund you have chosen.

Reducing the value of the fund

When there are more customers moving out of a fund than making new investments in it, we may reduce the value of the units in the fund to reflect the percentage of the costs associated with buying and selling the assets of the fund. The reduction is likely to be most significant for the percentage of any fund invested in property.

For those funds invested in property, the actual reduction will depend on the percentage of property in the fund and the actual costs involved in having to sell properties within that fund. If a reduction in value were to apply today, we estimate this rate could possibly be in the region of 10%, assuming that the fund has a high percentage invested in property. To arrive at this rate, we have estimated the selling costs that might apply. It is possible that the reduction in value could be higher or lower in the future and could take place in stages. Funds with a lower property asset mix will have a lower reduction rate. The reduction for any part of a fund invested with external fund managers may happen at a different time to the reduction for the rest of the fund.

Access to cash

Funds that invest in property usually need to keep some cash to hand because it normally takes time to buy and sell properties. However, from time to time, the level of cash in the funds can rise if the fund manager cannot find the quality of commercial property investments that they are looking for. If this happens, the fund manager may increase the level of indirect property investments until they find the right properties for these funds.

Information relating to the Property Portfolio Fund

For the European part of the Property Portfolio Fund, ILIM have chosen Henderson Global Investors as their initial European property partner. They will choose and manage a mix of indirect property investments across Europe. Indirect property investments refers to property invested through other fund managers and not through ILIM. By using their European-wide property research teams, they will identify and invest in some of Europe's leading property managers.

The fund will use borrowings to increase the amount of property that they will invest in. Please read page 19 for information on borrowing and property in general.

General Information

If you have chosen to invest in a fund that invests in shares and bonds, the assets in that fund may be used for the purpose of securities lending which aims to earn an extra return for the fund. Although this increases the level of risk within a fund, it provides an opportunity to increase the return.

At any stage we can change the range of fund options that are available. We may decide to stop giving you access to certain funds entirely. In this case you can switch out of these funds into any other funds that are open at the time. We can also restrict the option to switch into, or invest top-up contributions in, any funds. We may also change the manager who manages a particular fund in the future. In various fund descriptions, we explain the asset split that currently applies. The fund manager can change this asset split at any stage in the future. You can contact us for up-to-date information on your funds at any time or visit our website www.irishlife.ie.

4. Withdrawal options

Before investing in an ARF so that you can take regular withdrawals you should consider the main points about annuities and ARFs.

Annuity option (pension for life)

If you choose to buy an annuity with your pension fund you are changing your retirement fund into a regular income guaranteed to last you for life. It does not matter if returns from investment markets are poor or if you live for a long time because you will be paid an income for as long as you live. You can't withdraw your money and there is no cash-in value once you have bought the annuity.

ARF option

If you invest in the Navigator ARF with your pension fund, you have the option of taking regular withdrawals from that fund. You can withdraw between 4% and 15% of your value of your fund every year. This withdrawal may not be paid for life because, as your fund can fall as well as rise, the withdrawals you take could reduce your fund quicker than expected if market conditions are poor. **It is possible that your fund could run out before you die.**

The withdrawal or income from an ARF or an annuity is subject to any tax due at the time.

Regular withdrawal option

You can choose to take a regular withdrawal of between 4% and 15% of the fund you have built up each year. We can pay this to you every month, every three months, every six months or every year. We won't apply any early exit charge to these payments. You can decide whether you want your withdrawal to be paid by cheque through the post or to your bank account direct.

Minimum withdrawal amounts

The Finance Act 2006 introduced an obligation on all qualifying fund managers to deduct tax from ARF funds every year as if you had taken a minimum withdrawal. So, if you decide not to take a regular withdrawal or if you take a regular withdrawal which is less than this minimum withdrawal amount, we still have to deduct any tax due at the time from your fund as if you had. Each December, we will review any withdrawals you have taken during the year. If you haven't taken any withdrawals, or if the withdrawals you have taken are lower than the minimum withdrawal amount, we will pay you the minimum withdrawal amount less income tax, PRSI, the Universal Social Charge (USC) and any other taxes or government levies due at the time. We will only take the minimum withdrawal amount from your ARF from the year you turn 61 (or 60, if your birthday is 1st January).

The current minimum withdrawal amount is 4% of the value of your fund from the year you turn 61 (or 60 if your birthday is 1st January) and 5% of the value of your fund from the year you turn 71 (or 70 if your birthday is 1st January) at the end of each year. Currently if the total value of your ARFs and Vested Personal Retirement Savings Accounts (PRSAs) are more than €2,000,000 then you must withdraw at least 6% of the value of your ARFs every year. **It is your responsibility to tell us if you have other ARFs and vested PRSAs with a total value of more than €2,000,000. This could change in the**

future. We will pay this amount to you less any tax due by cheque in December of each year. Or, if you ask, we will pay it into your bank account. You can choose to take a higher withdrawal than this amount, as explained in the 'Regular withdrawal option' section on page 25.

AMRFs are not covered by this rule. However, when you meet the guaranteed pension income for life requirement or reach age 75, your Navigator AMRF becomes an ARF and your fund will be treated in the same way as explained under 'Minimum withdrawal amounts'.

Lump-sum withdrawals

You can also take one-off lump sums out of your ARF. The smallest amount you can take is €350 and the value of the investment after the withdrawal must be at least €1000. You will have to pay tax on any withdrawals you make.

With your Navigator AMRF, you can only withdraw any growth over and above the original amount of your investment. The smallest amount you can take is €350 and the value of the investment after the withdrawal must be at least €1,000. Taxes and government levies will be due on any withdrawals you make.

We will apply an early exit charge to any lump-sum withdrawals from your Navigator ARF or AMRF plan. See page 28 for details.

Warning: The income you get from this investment may go down as well as up.

Conclusion

The annuity option pays a known income for life, no matter how long you live. This is especially important if your pension fund is your only form of income when you retire. Investing in an ARF means that you have control of your money, but there is more risk with this option.

In making withdrawals, you should remember the following points.

- Making regular withdrawals may reduce the value of your ARF/AMRF, especially if investment returns are poor or you choose a high rate of withdrawal (or both). **It is possible that your fund could run out before you die.**
- Regular withdrawals over a long period may use up all of your ARF.
- The higher the level of regular withdrawal you make, the higher the chances are that you will use up your ARF in your lifetime.
- If your pension fund will provide your only or main source of income after you retire, you should consider investing some or all of it in an annuity so you have an income for life.
- If your fund runs out before you die you will not receive any further payments from this plan.

6. Your plan charges and allocation

This section shows the charges applying to your Navigator ARF / AMRF plan. The same charges apply to both the Navigator ARF and AMRF plans.

Allocation on your contributions

We will use your investment (your retirement fund) to buy units in one or more funds. The amount of your investment used to buy units depends on the size of your retirement fund. The percentage of your investment used to buy units in your fund choice can range from 99% to 101% depending on the amount you have to invest (in other words, a charge of up to 1%). This allocation will be shown on your plan schedule which you will receive in your Welcome Pack after you start your plan. Please talk to your Ulster Bank Financial Planning Manager or us if you need more details.

Yearly Plan Charge

This charge, if it applies, will be shown on your plan schedule. We take it as a percentage of your fund value and it could be up to 0.5% a year. We cancel units every month to pay this charge. If it appears on your schedule, it applies as well as the yearly fund charge.

Yearly fund charge

We take this charge as a percentage of your fund value at a given time. It can be different for each fund you are investing in. The charge for each fund is shown on page 29. The charge is reflected in the price of the units you have bought.

Single contribution exit charge

If you take your money out more than five years after you put it in, we will pay you your fund value (after tax).

However, if you transfer or withdraw any money from your plan in the first five years of your plan, you will have to pay an exit charge (outlined below), on the fund value.

Years 1 to 3	5%
Year 4	3%
Year 5	1%

The exit charge applies for five years from the start date of your investment. You can make more than one investment into the same plan at different times. The charge applies to each separate investment. For example, if you make an extra investment during year three and you cash in all your investment during year four, we will take a 5% charge from your extra investment. However, we will take a 3% charge from your initial investment amount.

You can take a regular withdrawal from this plan without the exit charge applying of up to 15% of your original investment every year. This exit charge does not apply on death.

Yearly fund charge

Fund name	Fixed fund charge	Estimated average level of variable charge	Total average fund charge each year
Global Cash Fund	1.00%		
Capital Protection Fund	1.25%		
Diversified Cautious Fund	1.00%	0.40%	1.40%
Pension Protection Fund	1.00%		
Consensus Cautious Fund	1.00%		
Diversified Balanced Fund	1.00%	0.40%	1.40%
Active Managed Fund	1.00%		
Consensus Fund	1.00%		
Diversified Growth Fund	1.00%	0.40%	1.40%
Consensus Equity Fund	1.00%		
Fidelity European Opportunities Fund	1.00%	0.95%	1.95%
Fidelity Global Special Situations Fund	1.00%	0.95%	1.95%
Global Opportunities Fund	1.00%		
Indexed European Equity Fund	1.00%		
Indexed Irish Equity Fund	1.00%		
Indexed UK Equity Fund	1.00%		
Pension Property Fund	1.25%		
Property Portfolio Fund	0.80%	1.10%	1.90%
Fidelity Global Property Shares Fund	1.00%	1.15%	2.15%
Indexed Commodities Fund	0.80%	0.50%	1.30%

6. Your questions answered

Am I eligible to invest in an ARF?

Whether you can invest in an ARF or an AMRF depends on what type of pension plan you already have. The option to invest in an ARF or an AMRF will apply if you are using the funds from one or more of the following contracts.

Personal pension plan

The option to invest in an ARF or AMRF is available if you have a personal pension. If you took out your pension plan when you were self-employed, a sole trader, a partner, or you worked for a company that did not have a pension scheme, you most likely have a personal pension plan.

Company pension plan

If you have a defined contribution company pension plan you may be able to invest in an ARF or AMRF at retirement. If you have a defined benefit company pension plan you will only be able to invest the Additional Voluntary Contributions (AVCs) portion of your plan in an ARF or AMRF unless you are a director who controls more than 5% of the voting rights of the company.

Additional Voluntary Contribution (AVC) plan

If you contributed extra amounts to top up your company pension plan, you can invest the money built up in your pension fund from your additional voluntary contributions, in an ARF or AMRF.

Personal Retirement Savings Account (PRSA)

ARF and AMRF options are available using the fund built up in a PRSA.

However, there is the option to leave your fund in your PRSA and apply similar rules as if it were an ARF or an AMRF. For example, you can make withdrawals from your PRSA fund whenever you want. **You do not have to move your funds from a PRSA to take advantage of ARF-type benefits.**

Whether you decide to move your fund from a PRSA to an ARF or AMRF depends on whether the ARF or AMRF offers different options. For example, what investment choices do you have in that new product. You should also consider the charges under the new product versus the existing charges under your PRSA. There may be more considerations and you should discuss this choice with your Ulster Bank Financial Planning Manager.

Are there any restrictions to investing in an ARF?

To invest in an ARF, you must be able to show the Revenue Commissioners that you have a guaranteed pension income for life from other sources of at least €12,700 a year. Examples of the types of guaranteed pension income for life acceptable under this legislation include:

- State Pension benefits;
- any pensions paid from occupational pension schemes;
- a pension guaranteed for life which you have bought with the proceeds of another pension fund.

If you do not have a guaranteed pension income for life of €12,700 a year, you must invest the first €63,500 (or the balance of the fund if less) in an AMRF or buy an annuity for the same amount. These limits may change in the future.

An AMRF is similar to an ARF, except that there are restrictions on what you can take from the fund. You may only make one withdrawal each year from an AMRF of up to a maximum of 4% of the value of your funds at that time.

You will have to pay tax on any withdrawal and the withdrawal may be subject to an early withdrawal penalty. You also can buy an annuity with the fund at any stage during the term of your AMRF plan. This 4% restriction applies until one of the following happens (whichever is first):

- You start receiving a guaranteed pension income for life from other sources, (currently €12,700 a year), or
- You reach age 75.

At this stage your AMRF will become an ARF and you can make withdrawals from your plan. You will have to pay tax on all withdrawals from your ARF or AMRF.

Will I have access to my money?

Yes. You can make withdrawals from your Navigator ARF as often as you need to. Restrictions apply to withdrawals from your Navigator AMRF. If you move your money less than five years from the start of your investment, we will take an exit charge.

Will I have to pay tax on my ARF or AMRF?

Yes, you will have to pay tax on any withdrawals from your ARF or AMRF.

What happens to my fund if I die?

One of the main differences between an ARF / AMRF, and an annuity is that with an ARF or AMRF you own your retirement fund.

This means that when you die, you can leave the funds in your ARF or AMRF to your next of kin or beneficiaries.

When you die, we will pay 100.1% of the value of your Navigator ARF or AMRF plan. If you leave the funds to your spouse or registered civil partner, they can transfer the funds to an ARF in their name. In all other cases, we pass the funds to your estate.

What about tax if I die?

If your funds are transferred to an ARF in your spouse or registered civil partner's name, there is no income or capital acquisitions tax (CAT) due. If you leave your funds to anyone else, they may have to pay income tax or CAT depending on who they are and their circumstances.

If your estate has to pay income tax, we must take this before paying the proceeds of your fund to your estate.

Table A - summary of the tax rules after you die if the ARF or AMRF was set up from the proceeds of your pension fund (based on current rates)

ARF or AMRF inherited by	Income tax due?	Capital Acquisitions Tax due?
Surviving spouse or registered civil partner	None if transferred into an ARF in the spouse or registered civil partner's name. PAYE is due on any future withdrawals	No
Your children if 21 or over	Yes, at a rate of 30%	No
Your children if under 21	None	Yes. Can inherit up to €225,000 each without paying CAT. They must pay CAT at 33% on any inheritance over this.
Anyone else (including surviving spouse or registered civil partner if benefit paid out as a lump sum)	Yes, at deceased's tax rate at the time of death (either 20% or 40%)	Yes. Can inherit up to a certain amount depending on their relationship to you. Then they must pay CAT at 33% on any inheritance over this.

Table B - Summary of tax rules that apply:

- **after your death, if you inherited the proceeds of an ARF from your spouse or registered civil partner; or**
- **if your spouse or registered civil partner dies after inheriting the ARF from you. (based on current rates)**

ARF inherited by	Income tax due?	Capital Acquisitions Tax due?
Your children if 21 or over	Yes, at a rate of 30%	No
Your children if under 21	None	Yes. Can inherit up to €225,000 each without paying CAT. Then must pay CAT at 33% on any inheritances over this.
Anyone else	Yes, at a rate of 30%	Yes. Can inherit up to a certain amount depending on their relationship to you. Then they must pay CAT at 33% on any inheritance over this.

What level of potential returns can I expect to receive?

It is important to realise that the value of ARF or AMRF investments may go down as well as up and that there is the possibility that, at any time, the value of your Navigator ARF or AMRF can be lower than your initial investment. Any returns shown are examples only and are not a guide to future performance. Any returns will depend on investment and economic conditions at the relevant time in the future.

Who is my plan provided by?

Your plan is provided by Irish Life Assurance plc. Your terms and conditions will set out the details of your contract with us. This booklet tells you about our approved retirement fund and approved minimum retirement fund and answers the questions that you may have. It is only meant to be a guide to help you understand your investment and does not give all the details of your plan. These details will be in your plan schedule. We will include more specific details and rules in your plan terms and conditions, which you should also read carefully.

Can I cancel my plan?

You have 30 days after we send your Welcome Pack to cancel your plan. If you decide to do this, we will return any contributions you have made in line with Revenue rules, less any reduction in investment values during the period. The information in this booklet is based on our understanding of current law, tax and Revenue practice. Your application form, terms and conditions and schedule will be your legal contract with us. The contract will be governed by Irish law. The Irish courts are the only courts that are entitled to hear disputes.

Family law and pensions

If you go through a separation or divorce a court application for an order for the benefits paid under this plan may be made. You can get more information on how a pension adjustment order works from your solicitor or the Pensions Authority.

Write to:	The Pensions Authority, Verschoyle House, 28-30 Lower Mount Street, Dublin 2
Lo-call:	1890 656565
Email:	info@pensionsauthority.ie

If a pension adjustment order has been granted on your plan you must let us know.

7. Glossary

Annuity/Pension for life

When you retire, you can use your retirement fund to buy an annuity. This is a guaranteed income from your pension fund after you retire. This income is paid on a regular basis for the rest of your life.

Approved retirement fund (ARF)

When you retire, you can invest your retirement fund in a personal investment account called an ARF. You can withdraw money from the account when you need it.

Approved minimum retirement fund (AMRF)

When you retire, if you do not have a guaranteed pension income for life of €12,700 a year, and you are not buying an annuity, you can invest €63,500 from your pension fund into a personal investment account called an AMRF.

Additional voluntary contributions (AVCs)

These are extra contributions you can pay into your PRSA or company pension to add to the pension benefits already available from your company pension scheme.

Bonds

A bond is a type of loan given to a company or a government. For example, if a government wants to raise money, they can issue a bond. If you loan money to a government, you get your money back after a set time and you will also receive a fixed interest rate.

Commodities

Raw materials or basic agricultural products that can be bought and sold in recognised markets. Examples of commodities include oil, gas, gold, wheat and cattle.

Equities/shares

Investing in shares means investing in companies on the stock market. You then become a shareholder. For the purpose of the funds that invest in shares, as described in this booklet, we are the investor, so we are the shareholder. How those companies perform affects whether the price of units in the fund rises or falls.

Restricted Fund

If you have a vested PRSA, depending on your circumstances at the time you take your retirement lump sum you may have to keep up to €63,500 in your vested PRSA – this is referred to as your restricted fund. You will not be able to take withdrawals that will bring the value of your vested PRSA below the restricted fund.

Vested PRSAs

A vested PRSA is

- a PRSA where the PRSA customer has taken their retirement lump sum and left the rest of their fund invested in the PRSA; or
- a PRSA where benefits have been paid from the main scheme (in the case of a PRSA where additional voluntary contributions (AVCs) have been paid)

For further information call the Ulster Bank team at Irish Life on 01 704 1711 or:

Visit your local Ulster Bank branch

ulsterbank.ie

This brochure is also available in Braille, large print, audio or on disc. Please contact your local branch for details or Textphone 1800 924 615.

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